

Old Age, Disability, Death

First law: 1900 (old age), 1944 (disability).

Current laws: 1967, 1990, and 1996 (old age pensions for employees), 1963 (disability), 1969 (means-tested allowance for aged).

Type of program: Social insurance system.

Exchange rates: U.S.\$1.00 equals 34.8 francs.

One euro equals 40.34 francs.

Coverage

Employed persons (special provision for miners and seamen).
Special systems for self-employed persons and public employees.
(Coverage for disability pensions as shown for sickness and maternity, below.)

Source of Funds

Insured person: 7.5% of earnings. Pensioner, 3.5% of disability pension unless its amount after deduction becomes less than 37,067 francs or 44,477 francs with dependents; 3.5% of prepension unless its amount after deduction becomes less than 37,093 francs or 44,593 francs with dependents.

Employer: 8.86% of payroll.

Government: Annual subsidies.

Contributions paid on 108% of earnings for wage-earners and 100% of earnings for salaried employees, including vacation bonus in both cases.

(Disability pensions and funeral grants financed through sickness and maternity insurance.)

Qualifying Conditions

Old-age pension: Age 65 and 45 years of coverage for both men and women, to be phased in by 2009. In the interim, the retirement age for women is: age 61 in January 1999, 62 in 2000, 63 in 2003, 64 in 2006, and 65 in 2009. Full benefit based on following years of coverage for women: 41 years in January 1999, 42 years in 2000, 43 years in 2003, 44 years in 2006, and 45 years in 2009. Unemployed men or disabled may choose to remain under the old (prepension) system until age 65.

Prepension: Men may retire at age 60 if replaced by unemployed worker, years to age 65 credited. Beneficiaries of prepension must remain with program to age 65. Prepension provisions were terminated as of December 31, 1990. Prepension supplement, see unemployment benefits below. Women may retire if unemployed or disabled between age 61 and 65, according to transitional provisions as above.

Pension not paid if employment income is more than 287,760 francs a year (431,640 francs with dependent children).

Disability pension: Loss of 2/3 of earning capacity in usual occupation. 6 months of insurance, including 120 days of actual or credited work and insurance during last quarter.

Survivor pension: Insured had coverage during entire period since age 20 or was pensioner at death; otherwise, proportionately reduced pension.

Old-Age Benefits

Old-age pension: Full pension, 60% of average lifetime earnings, or 75% for married couple; in computing pension, past earnings are adjusted to reflect wage and price changes.

Reduced pension (if full qualifying period not met): Percent of full pension corresponding to portion of period completed.

Special old-age pension to divorced husband or wife at age 60:

37.5% of former spouse's earnings during marriage, less any pension earned in own right during the same years.

Means-tested allowance: 20,916 francs a month (single) or 27,889 francs a month (couple).

Adjustment: Automatic periodic adjustment of pensions for retail price changes.

Minimum pensions: 28,331 francs a month (single) or 35,402 francs a month (married couple) if insured during full qualifying period.

For workers with 2/3 of insurance required for full pension, minimum pension proportionately reduced.

Permanent Disability Benefits

Disability pension: Equal to 65% of lost wages for employee with dependents; 40% if no dependents; 45% if no dependents but living with others who have no income. Payable after 1 year of incapacity (1st year paid under sickness benefit).

Minimum benefit: 957 francs a day (single), 1,337 francs a day (family), or 1,070 francs a day for those living alone; maximum, 1,479 francs a day (single) or 2,213 francs a day (family).

Adjustment: Automatic periodic adjustment of benefits for retail price changes.

Survivor Benefits

Survivor pension: 80% of old-age pension of insured. Minimum: 334,252 francs a year if worker fully insured for full qualifying period for pension, plus vacation allowance of 18,092 francs a year. For survivors of workers with 2/3 of full period, minimum pension proportionately reduced.

Payable to widow or widower aged 45 (at any age if disabled or caring for child). Married at least 1 year (waived if child born or accidental death). Pension not paid if employment income exceeds 575,520 francs a year (719,400 francs with dependent children). Survivor's pension plus widow or widower's own pension may not exceed 110% of own pension. Widow or widower who is ineligible for regular pension receives pension for 12 months.

Orphans: 10,395 francs a month for each orphan, payable under family allowances system.

Funeral grant: Lump sum of 6,000 francs, payable under sickness insurance.

Means-tested allowances payable to needy survivors.

Adjustment: Automatic periodic adjustment of benefits (except funeral grant) for retail price changes.

Administrative Organization

Ministry of Social Affairs, Public Health and the Environment, general supervision.

National Social Security Office in Ministry, collection of contributions and distribution to national offices administering benefits.

National Pensions Office, administrative management of old-age and survivor pensions and financial management of program.

National Insurance Institute for Sickness and Disability, general administration of disability pensions.

Sickness and Maternity

First law: 1894 (mutual benefit societies).

Current law: 1994.

Type of program: Social insurance system.

Coverage

Employed persons (must enroll with mutual benefit society or public auxiliary fund). Pensioners and other social security beneficiaries also covered for medical benefits. Special systems for self-employed persons (basic protection only) and seamen. Voluntary affiliation for persons not under compulsory coverage.

Source of Funds

Insured person: Medical benefits, 3.55% of earnings. Cash benefits and disability pensions, 1.15% of earnings. Pensioner, 3.55% of old-age and survivor pension (exempt if pension amount after deduction becomes less than 38,762 francs a month for single person and 45,939 francs for person with dependents).

Employer: Medical benefits, 3.8% of payroll. Cash benefits and disability pensions, 2.2% of payroll plus 0.15% to finance maternity benefits.

Government: Subsidy for management of social security system. Proceeds from surcharge on automobile insurance and on hospitalization insurance premiums, and a tax on profit made on reimbursable drugs.

Qualifying Conditions

Sickness and medical benefits: 6 months of insurance, including 120 days of actual or credited work, or 400 hours.

Maternity benefits: Female employees, 6 months of insurance preceding confinement.

Sickness and Maternity Benefits

Cash sickness benefit: 60% of earnings up to a maximum of 3,698 francs a day, payable from the third week of incapacity for up to one year. Employer pays wage-earners 100% of earnings for the first 7 days of incapacity, and 60% of the part of earnings not exceeding the ceiling taken into account for the calculation of sickness and disability benefits for the next 7 days.

Employer also pays supplementary payments for the 23 days following the first 7 days of incapacity. These payments correspond to 25.88% of the part of earnings not exceeding the ceiling taken into account for the calculation of sickness and disability benefits, and to 85.88% of the part of earnings exceeding the ceiling.

Cash sickness benefit is payable from the third week of incapacity and is entirely combinable with the supplementary payments paid by the employer.

Employer pays salaried employees 100% of earnings for the first 30 days of incapacity. Thereafter, cash sickness benefit of 60% of earnings is payable for the rest of the first year of incapacity in case of a sole income or if the salaried employee has dependents; 55% if no dependents.

From the second year of incapacity, an employed person with dependents is entitled to 65% of lost earnings. If he is without dependents, 40% (single) or 45% (couple) of his earnings are payable.

Cash maternity benefit: 82% of earnings for 1st month for salaried employees (79.5 for the unemployed), and 75% of earnings thereafter. Payable for 7 weeks before and 8 weeks after confinement.

Workers' Medical Benefits

Medical benefits: Includes general and specialist care, surgery, hospitalization, medicines, laboratory services, maternity care, dental care, nursing, rehabilitation, transportation, and appliances. Insured pays co-payment of varying amounts depending on income and status. Duration: No limit.

Dependents' Medical Benefits

Medical benefits for dependents: Same as for insured.

Administrative Organization

Ministry of Social Affairs, Public Health, and the Environment, general supervision.

National Social Security Office in Ministry, collection of contributions.

National Sickness and Invalidity Insurance Institute, coordination of program together with various management committees for cash and medical benefits.

Local agencies paying benefits: about 90 approved private mutual benefit societies, federated into 5 national unions and a separate fund for railway employees; and district offices of public auxiliary fund, for persons not belonging to mutual society.

Work Injury

First law: 1903.

Current laws: 1963 (occupational diseases), 1971 (work accidents).

Type of program: Social insurance system.

Coverage

Employed persons, including casual labor.

Special systems for public employees.

Source of Funds

Insured person: None.

Employer: Occupational injuries, 0.3% of payroll plus insurance premium varying according to risk. Occupational diseases, 1.10% of payroll.

Government: None.

Qualifying Conditions

Work-injury benefits: No minimum qualifying period.

Temporary Disability Benefits

Temporary disability benefit: 90% of base earnings, payable until recovery or permanent disability established.

Partial temporary disability: Equal to the difference between earnings prior to injury and current earnings (after partial take-up of work). In case of occupational diseases, temporary disability benefit

(for total or partial disability) is not payable unless disability lasts at least 15 days.

Adjustment: Periodic adjustment of benefits for retail price changes.

Permanent Disability Benefits

Permanent disability pension: 100% of earnings in case of occupational disease, if totally disabled.

Constant-attendance supplement: Level depending on degree of need of assistance based on average minimum monthly salary required for full time worker (not paid after the 91st day of hospitalization).

Partial disability: Percentage of base earnings corresponding to the degree of permanent disability except where less than 10% (reduced to half between 0 and 5% and to a quarter between 5 and 10%).

Adjustment: Automatic periodic adjustment of benefits for retail price changes (except those for disability of less than 16%).

Workers' Medical Benefits

Medical benefits: Medical treatment, surgery, dental treatment, hospitalization, medicines, appliances, and transportation; full reimbursement according to schedule, but restrictions are applicable in the case of work accidents and of occupational diseases.

Survivor Benefits

Survivor pension: 30% of earnings of deceased up to maximum.

Payable to widow or widower and to divorced spouse, if receiving alimony. No payment to cohabitant.

Orphans: 15% of covered earnings of deceased per orphan (20% if full orphan) under age 18 (or older if entitled to family allowance); payable to combined total of 45% (or 60%).

Other survivors: Parent, grandchild, brother, or sister under age 18, without condition of predecease or of the absence of entitled children, but subject to dependence on deceased's earnings..

Maximum survivor pensions: 75% of earnings of deceased.

Funeral grant: Lump sum of 30 days' earnings; minimum equivalent to sickness benefit.

Transport costs: Includes administrative costs and actual transport of body to place of burial (even if abroad).

Adjustment: Periodic adjustment of benefits for retail price changes.

Administrative Organization

Ministry of Social Affairs, Public Health and the Environment, general supervision.

Work injury: Work Injury Fund, a public interest organization, administration of program, responsible for controlling benefits paid by community insurance funds and private companies.

Occupational diseases: Occupational Diseases Funds, public interest organization, joint administration by employers and employees, responsible for compensation of injured workers.

Unemployment

First law: 1920.

Current law: 1992.

Type of program: Social insurance system.

Coverage

Employed persons.

Extensions: Stage performers, temporary workers, home workers, carriers of goods and persons, disabled workers, and professional sportsmen and sportswomen.

Source of Funds

Insured person: 0.87% of earnings.

Employer: 1.46% of earnings. Financing of additional unemployment benefits is in the framework of prepension collective agreements.

Government: Covers any deficit.

Qualifying Conditions

Unemployment benefit: From 312 days of insured employment in last 18 months to 624 days in last 36 months, rising with age.

Registered at unemployment office. Capable, willing, and available for work. Unemployment not due to voluntary leaving, discharge for misconduct, or unjustified refusal of suitable offer (disqualification for 8 to 52 weeks; exclusion from re-admission if deliberate intent).

Prepension supplement: Age 58, with 25 years of employment.

Unemployment Benefits

Unemployment benefit: Household heads, 60% of maximum earnings (58,734 francs a month from October 1, 1997); singles, 60% of earnings for first year, then 42%; cohabitants, 55% of earnings for first year, then 35% for the 5th quarter plus 3 additional months for each year of prior employment, then a lump sum of 13,052 francs.

Unemployed aged 50 or more with 20 years of employment and unemployed for 12 months can receive a monthly supplement set according to the level of lost earnings. Singles aged 55 or more, are guaranteed 60% of their previous salary level.

Job search benefit: Unemployed youth eligible for variable amount depending on age and family status, between 7,462 and 17,316 francs (except for household head: 30,628 francs).

Prepension: Unemployment benefit of 60% of earnings. Prepension supplement: 50% of the difference between monthly benefit and net earnings (gross earnings ceiling of 100,425 francs from October 1, 1997). Payable until age of retirement.

Adjustment: Periodic adjustment of benefits for price changes.

Supplementary subsistence benefits payable to specified occupational groups to assure minimum income, under collective agreement.

Administrative Organization

Ministry of Employment and Labor, general supervision.

National Social Security Office, collection of contributions.

National Employment Office, decision on claims, supervision of paying agencies, and specific mission in relation to employment policies through 30 regional offices.

Local agencies paying benefits: Public payment offices, or trade unions for own members.

Family Allowances

First law: 1930.

Current laws: 1967, 1969, and 1971 (means-tested allowances).

Type of program: Employment-related system.

Coverage

Gainfully occupied persons or social insurance beneficiaries with 1 or more children. Special systems for public employees and self-employed persons.

Families not covered above eligible for means-tested allowances.

Source of Funds

Insured person: None.

Employer: None.

Distribution of social security resources according to the needs of the family allowances scheme.

Government: Subsidies to employee and self-employed programs covering any deficits.

Qualifying Conditions

Family allowances: Child must be under age 18; 21 if disabled; or 25 if full-time student or seeking employment.

Eligible children may include dependent grandchildren, brothers, sisters, stepchildren, and other dependent minors.

Income limit for means-tested allowances: 86,792 francs a quarter with 1 child, increasing by 20% for each other child.

Family Allowance Benefits

Family allowances: 2,706 francs a month for 1st child (4,084 francs if child of old-age pensioner or of person unemployed for more than 6 months, 5,670 francs if child of disabled worker or disabled person), 5,007 francs for 2nd (5,861 francs for 2nd child of old-age or disability pensioners), 7,476 francs a month for 3rd, (7,626 for 3rd child of old-age or disability pensioner or unemployed).

Supplement of 471 francs a month for 1st child aged 6-12, 718 francs if 12-16, and 758 francs a month if over age 18. Supplement for disabled child under age 21: 12,173 francs a month (with further increments based on degree of disability).

Birth grant: 36,660 francs for 1st birth, 27,583 for 2nd and subsequent births.

Means-tested allowance payable to families not eligible for regular allowances.

Adjustment: Periodic adjustment of benefits for wage and price changes and other economic factors.

Contributions under family allowance also are used to finance child care centers.

Administrative Organization

Ministry of Social Affairs, Public Health and the Environment, general supervision.

National Social Security Office, collection of contributions.

National Family Allowances Office, distribution of contributions among individual funds.

Family allowances are paid by about 32 approved private occupational, regional and specialist funds, and by an auxiliary public fund. (National office for family allowances for salaried employees.)